Dev Accelerator Limited

(Formerly known as Dev Accelerator Private Limited)

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CIN: L74999GJ2020PLC115984

DEVX accelerating innovation

Date: November 18, 2025

To, **BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	To **National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051
Script Code: **544513**	Trading Symbol: **DEVX**

Dear Sir/ Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of the Earnings Conference call

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), we are enclosing herewith the transcript of the earnings conference call, conducted on November 12, 2025, in relation to the financial results of the Company for the quarter and half year ended September 30, 2025.

The above information will also be hosted on the Company's website viz. https://www.devx.work/investor-relations/financials

This is for your information and records.

Thanking you

Yours faithfully,
For **Dev Accelerator Limited**
(Formerly Known as Dev Accelerator Private Limited)

ANJAN PARESHKUMAR TRIVEDI

Digitally signed by ANJAN PARESHKUMAR TRIVEDI
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Anjan Trivedi
Company Secretary & Compliance Officer

Encl: As above

"Dev Accelerator Limited

Q2 & H1 FY26 Earnings Conference Call"

November 12, 2025

MANAGEMENT: **MR. PARTH SHAH – CHAIRMAN AND WHOLE-TIME DIRECTOR – DEV ACCELERATOR LIMITED**
MR. UMESH UTTAMCHANDANI – MANAGING DIRECTOR – DEV ACCELERATOR LIMITED
MR. RUSHIT SHAH – WHOLE-TIME DIRECTOR – DEV ACCELERATOR LIMITED
MR. PARIN SHAH – JOINT CHIEF FINANCIAL OFFICER – DEV ACCELERATOR LIMITED
MR. PARTHIV PANCHAL – JOINT CHIEF FINANCIAL OFFICER – DEV ACCELERATOR LIMITED
MR. ANJAN TRIVEDI – COMPANY SECRETARY AND COMPLIANCE OFFICER – DEV ACCELERATOR LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Dev Accelerator Limited Q2 and H1 FY26 Earnings Conference Call.

I have with me Mr. Parth Shah, Chairman and Whole-Time Director; Mr. Umesh Uttamchandani:, Managing Director; Mr. Rushit Shah, Whole-Time Director; Mr. Parin Shah, Joint Chief Financial Officer; Mr. Parthiv Panchal, Joint Chief Financial Officer; Mr. Anjan Trivedi, Company Secretary and Compliance Officer.

Before we proceed, I would like to bring to your attention that certain statements made during this discussion may constitute forward-looking statements. These statements are based on current expectations, assumptions and beliefs regarding the future development and inherently subject to various risks and uncertainties and factors beyond our control. Such forward-looking statements involve both known and unknown risks and we advise you to interpret them with caution.

As a reminder, all the participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone telephone.

I now hand the conference over to Mr. Umesh Uttamchandani, Managing Director, for opening remarks. Thank you and over to you, Sir.

Umesh Uttamchandani: Thank you so much, Moderator:. First of all, a very good afternoon to everybody and a warm welcome from Dev Accelerator Limited. This is our first earnings conference call for the quarter and half-year ended 30 September, 2025.

I trust everybody had an opportunity to go through the documents of our results, investor presentation and the media releases that has been shared with stock exchanges as well as on our website.

So, before we jump on the business operations, since this is our first call, I will probably do the best part that I like, is explain you as to what we do as DevX. So, Dev Accelerator Limited is the name of our venture. I'll constantly say it as DevX because that is how we brand it. We are an enterprise-focused, full solution-managed workspace platform, wherein, what we essentially do is provide custom-built offices to mid to large size enterprises under a single service level agreement, which covers right from identifying the office premises to providing bespoke fit-outs, providing them technology integration and then managing the day-to-day operations, which also includes facility management.

The two partners of the company, which are with me on the call. We started this company back in 2017 with a vision to offer enterprise-grade solutions to mid to large-size enterprises and provide them turnkey workspace solutions so that they can start their business offices at a faster scale and also offer them consistent interiors to all of them across multiple cities.

In 2018, the first center went live from the city called Ahmedabad and today we have a very large presence in the city and growing across 12 cities today while we speak of and we have 28 centers having 8.9 lakh square feet of asset under management, which are being currently used by 13,600 people on a day-to-day basis. We also plan to add additionally 6,000 seats with 4.5 lakh square feet, which is under fit-out, which probably I'll throw some more light on it under the business and going forward details in the next quarter.

Before I jump on, let me try and share as to what the industry has for us and the opportunities that the industry has created in the last decade for all the service providers. So, the outlook and within the industry is very strong and positive. As we can see, the sector is growing at a 20% CAGR and it is assumed to scale at a rapid pace in 2030.

Along with that, we are seeing a stronger push coming from Global Capability Centers, which is coined as GCC and that market is also expanding at a 7% to 9% CAGR, which showcases that there's a sustained enterprise demand, which is constantly coming in for turnkey and custom-built offices, which are looking at a core plus flex adoption, which obviously needs faster time to start their operations.

With all the tailwinds globally and the trade wars that are happening, India still remained a very buoyant market for the leasing sector. As a country, we clocked 39.5 million square feet of gross office leasing in the first half of 2025, which was largely contributed by global occupiers in the quarter two, and they were contributing 61% towards the consumption of this leasing space, which is a testament to the fact that as a country, we are now becoming a capability center for all the global companies who are looking to setup their offices in India.

As I keep on saying that, India is today an office to the world and flexibility has become a core fundamental requirement of the consumption. Quarter two of 2025, flex almost did 4.5 million square feet of leasing, which is 65% incremental on a year-on-year comparison basis. As I said, the core fundamental of adoption of office spaces is core that is traditional real estate; plus, flex adoption, which ultimately is able to give agility and flexibility to the occupiers.

For DevX, this ultimately translates into strong preference for turnkey design, and we becoming their build and operate partners so that we can help our customers scale faster, provide them multi-city coverage, and effective service level agreements, which is our core strength.

While all this is happening, the growth is happening at tier-two cities or non-metros as well because larger talent pools are now intending to stay in tier-two cities. The occupancy levels are increasing in Grade A, assets in tier-two cities, and the connectivity between tier-two cities and with tier-one cities and hubs has also been phenomenally increasing.

There's a policy push as well. A lot of states like Karnataka has come up with a GCC policy from 2024 to 2029, wherein the target is to bring in 500 new GCCs and add three and a half lakh jobs till 2029, which ultimately showcases the strength of core plus flex model and growing beyond the bigger metros.

For DevX, our core strength has always been our presence and the resilient model that we have created within tier-two cities, and our footprint showcases that fact. The playbook that we have designed for tier-two cities has been phenomenally growing, and consistently standardized output has been generated by us.

So overall, the industry outlook looks very buoyant and positive with respect to leasing, and flex office is leading within that. The operational business outlook, if I give within DevX, as covered earlier, we are today operating with 28 centers in 12 cities, managing 8.9 lakh square feet asset under management, having a very strong occupancy levels of 88%, which showcases that customers or enterprise clients have been trusting, us and keeping the belief in us on a continued basis.

On the Expansion front, I would like to share, a very positive news that, for the first time in tier-two cities, we are coming up with a single largest managed office space campus. We are launching that in Ahmedabad, in partnership with a developer called Zaveri, and that asset is going to go live from the month of January. Before going live, we already have achieved 95% occupancy levels.

So it is a landmark project for us. Tier-two city, a single managed office space campus of 3.15 lakh square feet that is unheard of. And secondly, achieving a 95% occupancy, even before going live, is a testament to the fact that customers have a strong belief in us in tier-two cities.

Once the center goes live, our revenue would increase by INR2.5 crores on a month-on-month basis, and our seat count would increase by almost 4,000 seats. This would give us a very strong impetus to our margin, and our return on capital deployed would increase significantly.

Why the ROCE would increase in this specific asset is because we have a strong hierarchy, and we prefer taking up assets on long-term rent-free basis. And that rent-free period would eventually support us in increasing or making our ROCE much more efficient.

This also is a testament to the rising Bharat story. Broadly, we have seen tier-one cities taking up larger campuses of 3 lakhs to 5 lakhs square feet per year. This is for the first time that is happening with a tier two city like Ahmedabad. We are opening up a managed office space campus. So the entire rising story of Bharat is what we are counting upon. And the adoption of mid to large size enterprises towards flexible office spaces is where our strong strength is.

And the contributors for us is enterprise clients and GCCs who are taking up spaces with us for not only shorter duration, but for extremely long duration. Our average lock-in in this new asset with the clients that have taken up is 44 months, which is slightly higher than our average lock-in that we have achieved across these years.

On the capital deployment side, we had committed in our IPO that we would be using INR73.1 crores towards our growth, that is for fit-out investment, INR35 crores towards repayment of our borrowing, and the remaining amount from INR143 crores as general corporate purposes. So this ensures that our model is capex light and we are also cash efficient.

Coming on the current debt number, everybody would be glad to know that we have curtailed our debt and we have reduced it down to INR11.10 crores, which is a significant drop after our listing. So that would increase our bottom line significantly.

Our revenues for the first half has grown 80 percentage on a year-on-year basis. We have achieved a staggering INR107.47 crores in the first half. Comparatively, in the previous half, it was INR59.38 crores. So this is a strong half-yearly performance for us. And again, a testament to the fact that our customers have continued to believe in us and they have stayed with us for longer duration.

A very interesting fact is that clients who have taken up 300 seats and beyond that have at least 42 months of lock-in duration, which is still yet to be there with us, which essentially means that 50 percentage of our clients, which are higher than 300 seats, would be there with us, continuing to generate revenue and giving us the support to serve them, would be there with us for the next 42 months.

So the first half reflects a strong disciplined execution by our team and a sharper mix of enterprise-grade managed office spaces, which ultimately is generating results because of the higher capacity utilization and the execution team, which delivered the fit-outs on a timely basis.

Just quickly glimpsing through the numbers. Our EBITDA in the first half, FY26, is INR52.82 crores as compared to the previous year, which was INR32.21 crores, which is a year-on-year growth of 64 percentage. Our EBITDA margin has been consistently hovering around 50 percentage. Our cash EBIT has significantly increased. We have been able to achieve INR19.8 crores of cash EBIT. So this industry, and specifically us as an organization, strongly believes that this is a very cash-flow positive business.

So we have been effectively trying to work and reach to a higher percentage margin within cash EBIT, which today is 18.5 percentage. The effort internally is to optimize a lot of expenses and the capital that we are doing, making it much more efficient. Over a period of time, you will see cash EBIT margin also increasing from 18.5 percentage and going slightly upwards.

The growth that we have achieved in this quarter has largely been because of the fact that we have added Surat as a center. There are three more centers which are cut out right now, which is including one center of 84,000 square feet in Ahmedabad, one center in Pune, which is almost 35,000 square feet of area, and the bigger center with the bigger managed office space campus of 3.15 lakh square feet.

Once all of these are live, as mentioned earlier, we would incrementally add almost 4.5 lakh square feet of area in our portfolio, making it reach to 1.3 million square feet of total portfolio that will be managing. And the seat count increasing from 13,500 seats to almost 18,000-19,000 seats.

So the consumption that has happened is all a mixture of mid to large-sized enterprises, who are not only consuming infrastructure with us, but they are also taking up allied services, because as a platform, the objective is not only provide them space to operate from, we have a lot of allied services on top of it, like our managed IT solution, our F&B utilization, our design and build solution, and then providing them technology upgradation using our in-house AI capabilities.

All of that has resulted into slightly upside of higher realization per seat and increased EBITDA margins. We have utilized the IPO proceeds largely for refinancing and repayment of our existing borrowings.

And as mentioned, from INR 98.94crores of loans, which was long-term debt, we have brought it down to INR11.27 crores in the first half of FY'26. So that reduction in cost of borrowing would also add upon in the margins in the coming quarters. The plan forward is clear and sharp for all of us internally within the management team that the focus would be on Tier 2 cities.

We will continue to grow and become much more stronger in Tier 2 cities, while we will also handfully pick and choose cities when we are having back-to-back or contractual demand and expand in Tier 1 cities as well. So rollouts will be phased out, and there will be pre-commitments coming in from clients, which would be backed up with LOIs and security deposits received by the customers.

And it will ultimately help us to predictably grow and keep our mature centers compounding and adding upon our profitability, and keep on adding newer centers in a sensible manner, so that they can consistently support towards growth of the profits.

We are now starting to track a real-time project management delivery, so that we can improvise our timelines from 75 days to 90 days, curtail it down further, so that our goal line can be much more faster and effective. We are also bringing in leadership team at all statures, so that we can continue to scale at a pace that we are at right now, and ensure that the center-level margins remain resilient towards the external challenges.

On the client side, we are scaling our enterprise solutions by adding up a joint technology plus design and build capability offering in a single go, which earlier used to be the case when we used to offer them infrastructure and leasing solutions, then add up on all our verticals.

Now, the plan is to kind of start offering them from day one, so that it increases our perceived realization and also grow our multi-city wallet chain. That is the plan with respect to our clients. On the supplier side, we have started continuing our focus on our PropCo and OpCo model, wherein the PropCo would be owning the asset, and the operational piece, which we are currently doing, we would continue to deliver our design and build services to our existing customers, as well as our new customers.

Largely, this OpCo expansion would be backed with customers who are looking to take or sign up long-term contracts with us. This PropCo and OpCo results into higher ROCE for us. On the OpCo side, we would have a customer who's looking to sign up for longer duration.

And on the PropCo side, we would have certain sweat equity and management fees for managing the property. That increases the square foot realization for us. As we now move on to the next half of FY '26, the entire team is extremely confident on the momentum that we have achieved in the first half.

The IPO proceeds would help us give much more boost to the pipeline that we had created on the demand side. And now the objective would be to execute it with much more sharpness and efficiency, and also increase our operational efficiency. We intend to improve the operating leverage from the mature centers so that they contribute higher margins.

So today, while we speak, 55% of our centers, which are beyond three years of market, have north of 95% of occupancy levels. We intend to continue with that sort of occupancy levels in the matured centers. And the new centers that we are planning up, we intend to achieve north of 90% of occupancy levels in the first quarter itself, after they're going live.

So with a solid operating foundation and a strong core team that we have built up till this point, the credibility that enterprises and GCCs has showcased within DevX, we are certain and sure that the multi-year demand contracts that we are signing right now, we would continue to do so and create sustained value for all our stakeholders.

I would now open up the floor for any questions that would have.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Aniket, an individual investor. Please go ahead.

Aniket: So, sir, I have a few questions. So just wanted to understand in terms of our business model and because I'm the new one in this kind of business. So just wanted to understand the outlook about our business?

Umesh Uttamchandani: So the outlook of our business or the industry, Aniketji?

Aniket: The business and what are the key things we have and what is our outlook for the future. So just wanted to understand.

Umesh Uttamchandani: Sure, Aniketji. Thank you so much for the question. So today, we operate at almost 9 lakh square feet of asset under management. Now in the next few months, you'd be seeing that number increasing and reaching to 1.3 million square feet of area. And majority of them that supply is demand backed. What essentially happens in this industry is as a platform, we have two sides.

One is the supply side, wherein we source real assets, which can be leased by us at a certain price point. And on the other side, there is demand. And that demand for us is coming in from mid-to large size enterprises, who typically consume 120 seats to 800 seats.

That's an ideal customer persona for us. What we essentially try and do is on top of the infrastructure, we try and add a lot of value engineering and see if we can fulfill the requirement that the end client has. And then they give us lock-in for a longer duration.

So the customer side, we typically take lock-in of 36 months to 48 months and an agreement tenure of 60 months to 72 months. On the supply side, which is the real estate side, we find the lock-in of 36 months and an agreement tenure of nine years. That is how essentially this model operates.

And historically, what we have seen is that value-added services increases the stickiness of the clients towards us. And all the add-on solutions like F&B, running the payroll for the company, running the recruitment, providing them technology, upgradation and solutions, increases the stickiness with us beyond the lock-in duration as well. So you'll be happy to know that in an industry like this, the churn rate for us is 1.2 percentage, which essentially means that a larger set of clients are preferring to stay with us even after the lock-in duration. I hope I answered the question.

Aniket: Yes, sir. Got it. . So, sir, can you throw some light on the expansion into Tier 2 cities? So what is the opportunity size over there?

Umesh Uttamchandani: So I am a firm believer that the next growth story of the country would be coming from Tier 2 cities. So Bharat rising story is what we are a firm believer of. Nationally, just to help you with some numbers, India does almost 900 million square feet of leasing, which is one-fourth the size of the US leasing market.

Over a period of time, we broadly have been consumers of real estate, wherein buying and consuming was the pattern that we have witnessed historically. Now that trend is moving towards leasing. So this $1 billion consumption of leasing is eventually grow multifold.

If you follow the reports, that's going to grow at a rate of 9 percentage to 10 percentage, which essentially means that by 2032, you will be reaching at $4 billion or 4 billion square feet of leasing. Now, majority of this leasing today, while we speak, happens in Tier 1 cities. The remaining growth that is going to happen in the coming five to six years is also coming from cities like Ahmedabad, Indore, Chandigarh, Baroda, Coimbatore, Kochi.

These cities are kind of scaling up massively. A-there's a lot of infrastructure investment that has happened in the last few years. B- with the advent of COVID, employers have also realized that it need not be office in one major location. It can be a distributed workforce that can be focused upon.

So people have started staying back home and started to prefer work near home rather than shifting from their base location. These are a few reasons, few drivers, because of which the consumption in Tier 2 cities is going to increase.

And as I've covered, one strong testament is that for the first time, a city like Ahmedabad would be witnessing a single campus of 3.15 lakh square feet, which is not heard of as a country and even as a city. So that is just a step towards showcasing the belief and the understanding that we have of Tier 2 cities.

Aniket: . Got it, sir. And sir, one last question. How do you differentiate itself from other players in the flexible workforce segment?

Umesh Uttamchandani: Right. I think interesting question, Aniketji. The size of the market is so big and so wide that it has not become a winner takes all the pie sort of a thing. So unlike other new age sectors like E-commerce where we have witnessed few players, large majority pie. In this sector, in flexible office spaces, we have started to realize that it cannot be one or few winners. It has to be segregated. This is a very hyper-local business.

You need to understand the local dynamics, create a very strong supply strategy and have a very strong, efficient operational team to deliver the expectation that your client has. So this would continue to be a sector in a segment wherein there will be a lot of players. Having said that, we have a very strong market share in Tier 2 cities. So that is where our USP and differentiating factor is. We have 13 percentage market share when it comes to Tier 2 cities.

Aniket: And sir, who are the match-to-match players for us?

Umesh Uttamchandani: In Tier 2 cities, we broadly enjoy a very bold one wherein the competition comes from hyper-local or the local players. Nationally, if you ask me, there are few listed players like SmartWorks, Indiqube, which are in a similar offering of providing managed office space solutions.

Aniket: Okay. Okay. And sir, what about WeWork?

Umesh Uttamchandani: So the model is slightly different. There are certain players who are much more bigger and larger into co-working spaces. So ideally for us, how it works is that we would have a client beforehand who would say that I need 20,000 square feet of area and I would custom build for that client.

While the co-working space model, it is you design and keep it ready and then the customer adopts it the way it has been created. And the underlying offering remains the same with respect to the services and the operation. But the consumption of real estate is slightly different.

Just to throw some light on our internal numbers, our rent to revenue ratio, because of the fact that we are operational efficient and present in Tier 2 cities is 2.56 for Q2FY26, which is a very strong number to reflect upon and focus on.

Aniket: Got it, sir. And thank you so much, sir. All the best for the future, sir.

Umesh Uttamchandani: Thank you, Aniketji. Thank you for your question.

Moderator: Thank you. The next question comes from the line of Vikrant Sahu from RK Advisory. Please go ahead.

Vikrant Sahu: Very good afternoon, management. Thanks for the opportunity. Just a few questions like, what percentage of the new business is coming from existing clients, like existing client expansions versus new client expansions?

Umesh Uttamchandani: Thank you so much for this question, Vikrantji. It has been a core strength for us. The existing clients that stay with us after the lock-in has been substantially higher. So the churn rate for is almost negligible.

We have witnessed one-third of our clients are multi-city clients, who would take up spaces with us not only in Ahmedabad or Baroda, not only in one city, but they would expand with us wherever we are expanding or we would expand along with them where they intend to expand. So just to cite an example, QX Global, which was our first client signed up in 2018, still happens to be a strong supporter and contributor towards our growth, is with us in more than five cities.

So that translates into their growing with us. So, 33% of our revenue comes in from existing clients who are looking to expand, and 67% in the newer centers comes from the new clients.

Vikrant Sahu: Okay. One more question I have, like, what is the expected payback period and return on investment for new centers coming online?

Umesh Uttamchandani: Historically, we have witnessed that our return on equity has been three years, while the new center, the bigger one that we are doing, that is 3.15 lakh square feet that is going live in Ahmedabad, there we are forecasting it to be anywhere between 26 to

28 months, because that asset was signed by us in 2023. So we had forecasted the demand in that specific micro market, the assessment and the research on the supply side was extremely strong. And today it is kind of showcasing the results.

And similarly, we are planning to do it for other cities as well. Eventually, for bigger assets, the projection would be to keep it anywhere between 26 to 28 months, and across smaller assets, it would be 36%.

Vikrant Sahu: One more question I have, like, are you observing any pricing pressure or discounting in key micro markets compared to the last year?

Umesh Uttamchandani: Well, fortunately, what we are witnessing right now is that the underlying demand, as in the number of leads that we are having communication with has drastically increased. So, it is now becoming -- in few of the micro markets or few of the cities that we are operating in, it has become an operator market. So the pricing is now decided and defined by the operators.

So we are probably enjoying the reverse trend right now, where in few cities we are able to define the pricing. There has been no challenges or issues or situations where we have seen price pressure because of either competition or reduction in demand.

Vikrant Sahu: Okay, got it. So thank you so much for the answers. I got my answers. Thanks.

Umesh Uttamchandani: Thank you, Vikrant.

Moderator: Thank you. The next question comes from the line of Utkarsh Somaiya from Eiko Quantum Solutions Private Limited. Please go ahead.

Utkarsh Somaiya: Thank you for the opportunity. My first question is, why have the number of seats fallen quarter-on-quarter?

Umesh Uttamchandani: The number of seats today that we operate is 13,604 seats. There is a reduction of 400 seats that we are seeing right now. One of the centers in Noida, we had to close down because the asset management of the facilities was not to the standard that we were preferring.

However, that reduction has also resulted into we taking up newer center in that micro market, which would probably reflect back in the next couple of quarters when the same set of clients have taken up spaces with us in the new asset.

Utkarsh Somaiya: Okay. So I could hear that voice is muffled. I couldn't hear properly. Anyway, my next question is, so your incremental 6,000 seats which you spoke about, is this 4,000 seat large space, is it in addition to the 6,000 or a part of the 6,000?

Umesh Uttamchandani: At this part of 6,000 seats. So totally 5,900 seats are getting added, which includes one single center of 4,000 seats.

Utkarsh Somaiya: The revenue of which will start from 1st January, right?

Umesh Uttamchandani: Correct. So we, I mean, the best part is that we've been able to achieve occupancy level even before we have gone live in that center.

Utkarsh Somaiya: And this 4,000 seats, is that what revenue per seat?

Umesh Uttamchandani: So, we have been able to achieve INR7,500 to INR8,000 per seat.

Utkarsh Somaiya: So, approximately INR30 crores per annum or INR 7 crores per quarter, we can see incremental in Q4, ~INR7 crores incremental in Q4?

Umesh Uttamchandani: Yes. So, we have also committed and probably mentioned that in our presentation as well as the media release, that an additional of INR2.5 crores to INR2.75 crores per month would start hitting in the books from the month of January from this single center. Obviously, the other centers that would go live would have an incremental addition in the revenue, but this single center would be the biggest incremental add-on in the revenue.

Utkarsh Somaiya: Okay. And the rest of the 2,000 seats, can you tell us when they are coming online?

Umesh Uttamchandani: So, there are three centers in totality. One is 3.15 lakh square feet that we just discussed. The other one is 30,000 square feet of area in Pune.

Utkarsh Somaiya: Sorry to interrupt you. Can you tell me in number of seats, please, instead of square feet? That would be helpful for us to model.

Umesh Uttamchandani: Sure. So the first asset in Ahmedabad of 3.15 lakh square feet has 4,000 seats, that is 3,900 precisely. The second center would be in Pune, that would have 400 seats. And there we have just started the fit-out. So we are expecting the revenues to start from mid of March towards the end of March. And the third center that we have taken up is in Ahmedabad, that's 84,000 square feet and 600 seats, which we are doing it in phases. The first phase would go live from the month of January with 300 seats. And the next phase would go live of the remaining 300 seats from the month of April.

Utkarsh Somaiya: From April. Okay. And beyond these 6,000, for FY '27, do you have any plans to increase the number of seats?

Umesh Uttamchandani: So in totality, in the next 12 to 18 months, including this current 6,000 seats, in totality, the plan is to add 14,000 to 15,000 seats. So the remaining inventory, the plan is to add up something in Pune, where we have started exploring with our current existing demand on that. And we would be adding a new inventory in Chennai.

Utkarsh Somaiya: Okay. So beyond 6,000, you will have another 8,000 to 10,000 seats, which will come in Chennai and Pune?

Umesh Uttamchandani: Which will come in Chennai, Pune, and one more center in Ahmedabad, which is going live from June or July 2026. So in totality, centerwise, if you ask me, sorry, centerwise, if you ask me, it would be three to four centers, which would be adding up roughly 10,000 to 11,000 seats.

Utkarsh Somaiya: In addition to the 6,000?

Umesh Uttamchandani: In addition to the 6,000, yes.

Utkarsh Somaiya: So the 6,000 will all be online by March 2026. And then 10,000 plus will come online by June, July 2026.

Umesh Uttamchandani: So the remaining 10,000 would come up in the next 12 months of time. So we can expect by November to December to go live. So June is when we'll get the position for fit-outs. So technically it takes three months for the complete position to come in.

Utkarsh Somaiya: November to December. Understood. And we can assume the average revenue per seat will be approximately 7,000 to 8,000, between 7,000 to 8,000, right?

Umesh Uttamchandani: Correct. That's correct.

Utkarsh Somaiya: Can all these will also be preoccupied like this current one, which you are coming on in January?

Umesh Uttamchandani: So the remaining -- so if I bifurcate this into, let's say, additional incremental of 13,000 seats and if I remove 4,000 seats from it, the remaining 9,000 seats already has 45 percentage of pre-commitment.

Utkarsh Somaiya: Pre-commitment. Okay. I have one last question related to the industry. So currently, the likes of you and other companies are doing very well because the supply is not there to meet the demand. So the market is fairly tight. So until when do you think that this kind of rosy industry scenario will exist? That's one. And second question is, is there any risk you see for your company or the industry?

Umesh Uttamchandani: Sure. Interesting question. So I'll answer the first piece. The buoyancy that you're seeing in the flex sector since last few years has largely -- as you correctly mentioned, that has largely been because of the fact that the supply has always been running behind the demand that is there.

But considering the fact the growth at which the country is at, the influx of global capability centers, the advent of local companies scaling up, that is always going to be extremely high. I don't foresee -- this is not because I'm part of the industry or I am holding a chair what I am right now. But in general sense as well, there's a lot of optimism and positivity in the country.

And that ultimately results into consumption of office spaces because ultimately, businesses are going to be driven from offices. And that would result into a lot of transactional consumption of office spaces. in the overall leasing industry. Now Flex is a subset of the primary leasing industry.

So if you see 40 million square feet being consumed in the first half of 2025, almost 12% was contributed by Flex. If I further bifurcate that within the top six cities, 80% of that consumption would be in those six cities. The remaining 20% would be across the Tier 2 cities.

Now, this number is grew -- keep on increasing. Even if the broader leasing industry grows, let's say at a 7% to 9% CAGR, the underlying or the subset, which is the Flex industry is going to rapidly grow up because the base of it was very low. And that low base is resulting into generating a lot of eyeballs in seeing the fact that a lot of consumption is happening. But the efforts to reach to this consumption stage has been put in since 2018, 2019.

So I don't foresee challenges in terms of additional players or probably more competition coming into this sector. I believe there's a lot of pie available for all quality players operating to this sector. That is what my personal thought process is.

And the second question, the threats, I don't foresee internal threats into this sector and for us as DevX. But external threats, I wouldn't shy away from saying that there are external threats. Probably COVID can be one of the threats that we can be referring to. World War can be one of the threats that we can be discussing the stage at which we are.

So, geopolitical tensions can result into external risks getting added in the books. But these are fewer risks, which I believe is true not only for our business, for our industry, but that stays true for majority of the industries that are operating in the country.

Utkarsh Somaiya: Understood. Can I squeeze in two more questions, please? The bookkeeping questions.

Umesh Uttamchandani: Absolutely, sir. I am always here for you.

Utkarsh Somaiya: Yes. So I just wanted to know, since you repaid your debt, when did you repay it? Will the interest cost reduce in the second half? And if it will, what is the sustainable interest cost? And you have not paid your tax this quarter. So why is that? The tax is so negative. So can you help me with these two, please?

Umesh Uttamchandani: Sure, sir. So the first piece, we have significantly brought down the debt piece. We are today at -- our debt to equity ratio today, if I share, from a significant number of 2.6x, we are today at 0.37 number. I believe that in this sector, and as an organization, it can be easily sustainable up till 1.3, 1.4 to kind of honor the commitments that would be getting generated.

But we are today at a very stable level with high equity influx in the books and very steady and strong cash flow of 18, 18.5 percentage cash EBIT being generated. So that is obviously going to contribute in the incremental tax margins in the coming quarter.

That is one. And second question, you mentioned about the tax not being paid. You are referring to…

Utkarsh Somaiya: Sir, negative tax, I was just wondering why.

Umesh Uttamchandani: Let me -- can you just give me a second, I will check with this. I will have Mr. Parin Shah, who is the joint CFO in the company to respond to this.

Parin Shah: Good evening. So basically, you see that the current tax is negative because of the last year losses as carry forward and the deferred tax effect coming to the P&L. That's why you can see that the numbers are in negative. But we paid and we already accumulated the numbers like to pay the tax.

Utkarsh Somaiya: So how much tax assets do you have remaining?

Parin Shah: So for the next two -- like if we add more profit from this next financial year from the two assets then like after 2027, we have to pay the tax.

Utkarsh Somaiya: So for FY 2026 and FY 2027, no tax?

Parin Shah: No tax. But that's minimal tax.

Utkarsh Somaiya: Minimal. Because in quarter one, you paid some tax, that's why I'm asking.

Parin Shah: Yes, quarter one, basically, it's not effect of the balance sheet, like we do not like doing that, because H1 is like you come to the picture where you have to prepare all the data. So half yearly 2025 and half yearly 2026, you can see that we have paid because last time we have filed the DRHP on the half yearly 30th September number. So these are the things like we consider a tax in this particular quarter, a half year. In the next half year, you also see that some numbers deferred tax credit is available.

Utkarsh Somaiya: Okay. Understood. Got it. Thank you and best of luck, guys.

Parin Shah: Thank you so much.

Umesh Uttamchandani: Thanks sir.

Moderator: Thank you. The next question comes from the line of Sneha Duri, an individual investor. Please go ahead.

Sneha Duri: Thank you. Thank you for taking my question. My question was regarding occupancy rate. What will be the occupancy rate, breakeven occupancy rate for our company? And recently, when the new inventory will come, do you think the occupancy rate will go down in the short term? And how would you increase from this level?

Umesh Uttamchandani: Sure. Thank you, ma'am, for the question. Historically, we have been operating at 85% occupancy. If you see, we've been holding at 85% of occupancy levels. Largely, for us, the metrics to monitor us or measure us is not only the occupancy level. I feel that our customers are destined to the fact that they have been staying with us beyond the lock-in region.

That is one of the fundamental factors that we should be assessed upon. And we are a managed office space player. So A, I would have a customer on hand. Before I would sign up, commit occupancy levels would never be done as such. Being a managed office space player, I am not looking to refill or refuel my inventory on a concurrent or ongoing basis.

There is a constant flow of enterprise customers who have been backing us and supporting us, and they're staying with us even during the lock-in period, even after the lock-in period, and also planning their future expansions along with us. So I have not personally seen in the last seven years our occupancy level going below 80% to 85%.

Sneha Duri: Okay. And what will be the break-even occupancy rate?

Umesh Uttamchandani: So we typically start our centers with 50%, 55%. Our break-even comes at a 68% to 72% range, depending what quantum of supply, what price point we close with the client. But broadly, that number goes between 68% to 72%.

Sneha Duri: Okay. Okay. Understood. And may I know the reason of PAT margins being lower despite having a healthy EBITDA margin?

Umesh Uttamchandani: So PAT margin, if you see, I'm assuming you're comparing it to the previous year, wherein we had achieved a 7 crores PAT margin. The fall is because other income went down. On the standalone financial, if you see, we have increased our EBITDA margin from 52% to 65%. So at the standalone, at a console level, our margins have increased. It is the inclusion of other income, which is not reflecting this quarter, is the reason why the PAT margins are going down. But if you see, we have closed our books profitably last quarter, and even this quarter, if I exclude the other income.

So other income that was reflected in the previous half of '25 was a fair market value that was presumed from the investment that we've done in startups. Now that fair market value is consistent today while we speak, and hence that is not translated into Other ncome from startups. But I personally would always treat the business to be the core functionality. All the metrics that we have defined, designed is on the core fundamental revenue that we generate as business and not on the other income.

Sneha Duri: Understood. Sure. Thank you. Thank you for the answer.

Umesh Uttamchandani: Thank you.

Moderator: Thank you. The next question comes from the line of Viraj Shah, an individual investor. Please go ahead.

Viraj Shah: Good evening sir. Thank you for the opportunity, sir. I had two questions. If you have a breakup, which cities majorly contribute to the year-over-year increase in operational area and seat capacity?

Umesh Uttamchandani: Good question, sir. Our broader focus, as I keep on mentioning, that the rising Bharat story is what we would capitalize on. And our split between tier two city and tier one cities would be always 70 to 30 percentage ratios, when 70% growth would happen in tier-two cities. Internally, our definition of tier-two cities comprises of cities like Ahmedabad, Baroda, Jaipur, Gandhinagar, Surat, Indore, Rajkot, Udaipur. These are tie-two cities for me.

And tier-one cities are Pune, Hyderabad, Delhi-NCR and Mumbai. So it has always been 70-30 split. And going forward, the split would continue in the same fashion. We would also grow…

Viraj Shah: Okay. Okay. Sorry. Continue please sir.

Umesh Uttamchandani: Yes. We would also grow organically in tier-one cities. But the campus-style take-up would come up in tie-two cities.

Viraj Shah: Okay. So the 70% is for tie-two cities, right?

Umesh Uttamchandani: Correct. Correct.

Viraj Shah: Correct. Okay, good. Thank you. One more question is, is there any percentage of your upcoming fit-outs that you've already given under client commitment, or if you say pre-leased per se?

Umesh Uttamchandani: Yes. So we'll go asset-by-asset in this. One asset of 3.15 lakh square feet which is coming up as a single managed office space campus in Ahmedabad, that 3.15 lakh square feet would have 3,990 seats. Out of that, we already have 95% committed.

Viraj Shah: Okay.

Umesh Uttamchandani: Right. So that would increase our current asset under management of 8.9 lakh square feet to roughly around 12.5 lakh square feet of area with 13.5 thousand seats to somewhere around 17.5 thousand seats.

Viraj Shah: Okay.

Umesh Uttamchandani: This is one. In addition to that, we would have roughly 1.2 lakh square feet, which is spread between two centers. One coming up in Ahmedabad with a developer called, Ganesh Housing. They are coming up with an integrated IT tech park. This is an IT tech park.

There we have 84,000 square feet of area and 600 seats, which is phased out into one going live in January, other one going live in June. So 300 seats going live in January and another 300 seats will go live in June. The third asset is a unit, which has 37,000 square feet, and 400 seats going live by end of this financial year.

Viraj Shah: Yes. Cool. Thank you so much for the opportunity and all the best for the future.

Umesh Uttamchandani: Thank you so much.

Viraj Shah: Yes.

Moderator: Thank you. The next question comes from the line of Utkarsh Somaiya from Eiko Quantum Solutions Private Limited. Please go ahead.

Utkarsh Somaiya: Thanks again. I just had to confirm one data point. Given that you will have approximately, so by December 2026, should you have around 29,500 seats after your expansions?

Umesh Uttamchandani: No, we have seats something around 28,000 seats.

Utkarsh Somaiya: Sorry, your voice is cracking, sir.

Umesh Uttamchandani: It should be anywhere between 28,000 seats.

Utkarsh Somaiya: Sir, I'm unable to hear you. Your voice is cracked.

Moderator: Hello. This is your operator. Sir, your voice is breaking. Can you please come close to the mic?

Umesh Uttamchandani: Yes. So, answering the question, by December 2026, we would be anywhere between 28,000 to 30,000 seats.

Utkarsh Somaiya: And a ballpark 7,500 per seat per month should give you a revenue of around INR260 crores per annum?

Umesh Uttamchandani: Correct, sir. That is absolutely true. By March 2027, we are looking to close the books anywhere between INR330 crores to INR350 crores, consolidated level. At Standalone DevX level, we should be at INR250 crores to INR260 crores.

Utkarsh Somaiya: Can you just say that again? Can you repeat that line, please?

Umesh Uttamchandani: I was saying that by March 2027, we are expecting to reach anywhere between INR330 crores to 350 crores at a consolidated level in terms of revenue. At standalone, we are looking to reach anywhere between INR250 crores to INR260 crores.

Utkarsh Somaiya: Sir, but your incremental 10,000 seats are only coming in December 2026. So for the year FY 2027, how will you reach INR350 crores? Because most of the revenue will come in FY 2028, right? Because they are going live only in December.

Umesh Uttamchandani: INR350 crores is at a consolidated level.

Utkarsh Somaiya: I know.

Umesh Uttamchandani: So which essentially would mean... So, I will give the break up, sir. So, if you see today, we have made some strategic efforts and investments into our subsidiary. One of our support mechanism and strength is the faster delivery of fit outs. We have a subsidiary called Needel and Thread, where we do design and build solutions for external clients as well.

So that has grown significantly. We have invested into our resources since last three years. So the growth in that venture, if you see, we have grown from INR12.5 crores in 2023 to around 30 odd crores last year. And we are already on track to achieve INR65 crores of revenue in March 2026. For that unit, we are looking to achieve anywhere between INR65 crores to 100 crores of revenue. That is one.

Second, our second subsidiary, which is a technology company, SASJoy Solutions Pvt. Ltd. There the GTM that we are looking to explore has already been finalized. Our existing clients are also adopting those solutions. And that would also result into contributing anywhere between INR7 crores to 10 crores of revenue.

Utkarsh Somaiya: In FY 2026 – FY 2026, right?

Umesh Uttamchandani: The ending of March 2027, sir.

Utkarsh Somaiya: March 27. So, out of INR350 crores, INR330 crores to INR350 crores, INR65 crores will be from design and build, and INR8 crores will be from technology. And the rest will be from your number of seats.

Umesh Uttamchandani: So INR65 crores to INR100 crores would be design and build, sir.

Utkarsh Somaiya: Yes, got that. Yes.

Umesh Uttamchandani: INR65 crores is my current number in design and build. That is, March 2026, I am looking to close and achieve INR65 crores in design and build as a standard of unit.

Next year, I am obviously eyeing a little bit higher between INR65 crores to INR100 crores. That is one.

Secondly, my – the other subsidiary of technology, they are looking to add between INR8 crores and 10 crores of revenue in March 2027 numbers.

Utkarsh Somaiya: And so far in first half, what is the revenue for design and build and technology?

Umesh Uttamchandani: We have achieved between INR40 crores to INR50 crores of revenue in design and build. And in revenue, in technology, we have reached a monthly recurring rate of $50,000.

Utkarsh Somaiya: $50,000. That is 30 lakh rupees. Monthly recurring.

Umesh Uttamchandani: Correct. Correct. Because there is the revenue recognition. So all our businesses are something that the enterprise plan sticks to us for longer duration.

Utkarsh Somaiya: Okay. And just like you gave INR330 crores to INR350 crores consult guidance for 2027. Can you give me the same for 2026, please?

Umesh Uttamchandani: Can you repeat….

Utkarsh Somaiya: Sorry, sir. Your voice is cracking again.

Umesh Uttamchandani: Better now?

Utkarsh Somaiya: Yes.

Umesh Uttamchandani: Yes. Anywhere between INR220 crores to INR250 crores is what we will be achieving this year.

Utkarsh Somaiya: Oh, that means the second half will be very strong. Because first half we have only done 70 crores, if I'm not wrong.

Umesh Uttamchandani: No, sir. First half we have done INR107 crores, sir.

Utkarsh Somaiya: Sorry. I was looking at standalone numbers. Okay. 107 and you said 220 to 250. Okay. Thank you so much. Thank you so much. Good luck. Yes, sir.

Umesh Uttamchandani: Thank you so much.

Utkarsh Somaiya: Yes.

Moderator: Thank you. We take that as the last question for today's conference. I now hand the conference over to Mr. Umesh Uttamchandani, Managing Director of Dev Accelerator Limited for closing comments.

Umesh Uttamchandani: Thank you so much, everybody. This was our first earnings call. I really appreciate the support that everybody has provided. And thank you for being on the call. We look forward to answering all your queries and your support in the coming quarters as well. Thank you.

Moderator: Thank you. On behalf of Dev Accelerator Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.